

Somerset Plaza Tower Multifamily Housing Revenue Bond First Reading



Office of Economic
Development

June 16, 2020



Somerset Plaza Tower Apartments



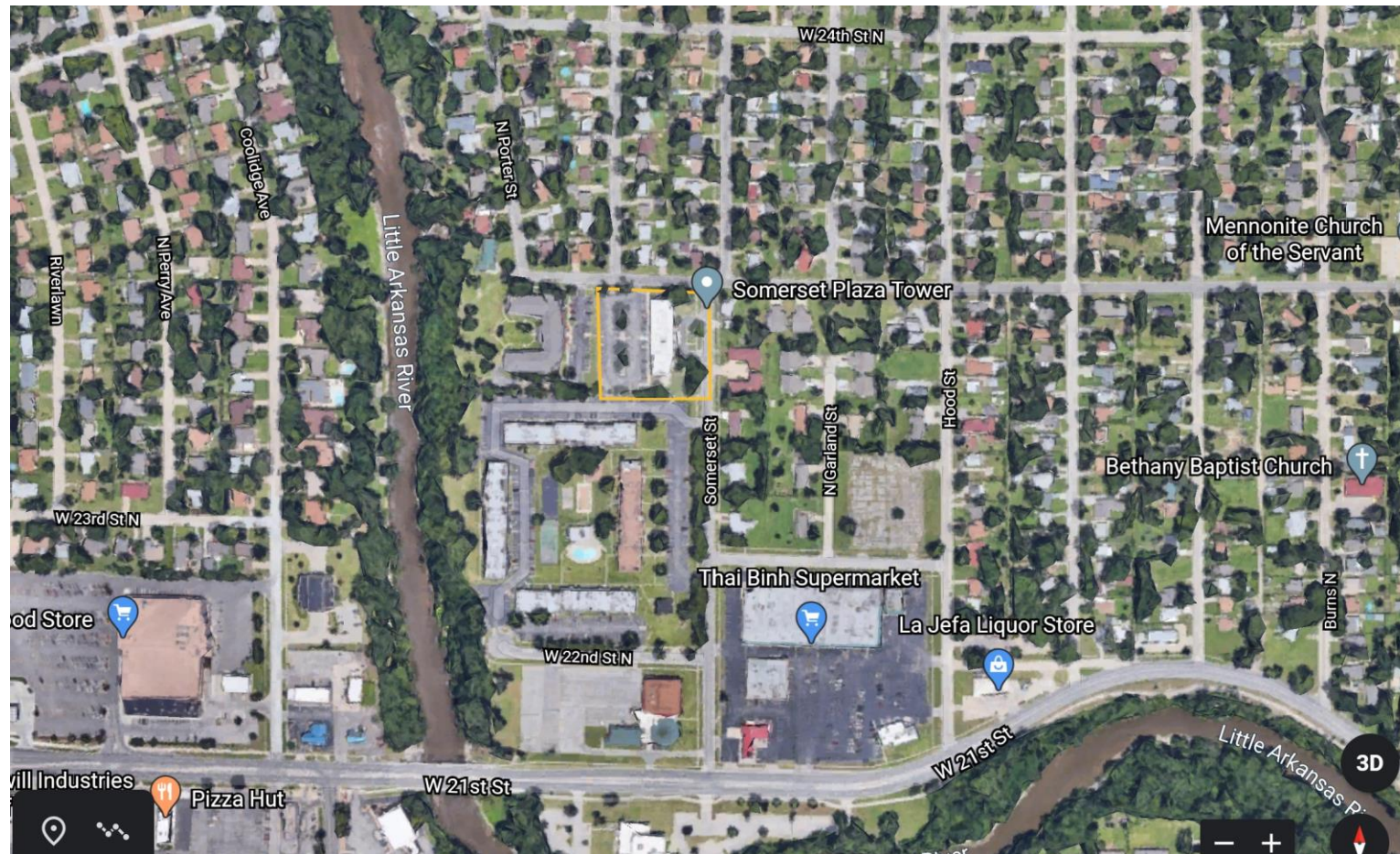
- Steele Somerset, LLC – real estate holding entity (Steele Properties – Denver, CO based)
- Second project in Wichita – Shadyway Plaza Tower
- Acquiring Somerset Plaza Tower apartments (2395 Somerset Street) for rehabilitation
- May 12, 2020 approved Letter of Intent to issue Multifamily Housing Revenue Bonds not to exceed \$12,000,000



Somerset Plaza Tower Apartments



2395 Somerset Street



Somerset Plaza Tower Apartments



- 100 units for low-income seniors and disabled residents
- Built in 1979; few upgrades/renovations
- Covered by Section 8 Housing Assistance Payment –
subsidizes resident portion of rent (developer intends to renew
for additional 20 years)



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- Invest \$3,600,000 renovation
- ADA requirements, bathroom and kitchen renovations, painting and landscaping exterior, installing hardwired smoke/CO2 detectors, new refrigerators and ranges in all units, among other improvements



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- Steele Somerset applied for 4% Low Income Housing Tax Credits – requires use of bonds
- Bonds used for sales tax exemption only; no property tax abatement requested
- Bonds will be placed privately with KeyBank National Association



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- **Recommendation:**

- It is recommended that the City Council close the public hearing and place on first reading the bond ordinance authorizing the execution and delivery of documents for the issuance of Multifamily Housing Revenue Bonds in an amount not to exceed \$12,000,000 for Steele Somerset, LLC and authorize the necessary signatures.



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